

COURSE OBJECTIVES

LEARN ABOUT YOUR FEDERAL ANNUITY

- Ø **How it will be calculated**
- Ø **When you can qualify**
- Ø **Some actions you may need to take now to avoid reductions**
- Ø **What your survivors will be eligible for at your death**

COURSE OBJECTIVES

LEARN ABOUT YOUR SOCIAL SECURITY

- Ø How it will be calculated**
- Ø Reductions some employees may not be able to avoid**
- Ø What your family members may be eligible to receive**
- Ø When and how you qualify**

COURSE OBJECTIVES

LEARN ABOUT YOUR THRIFT SAVINGS PLAN

- Ø **Why it is such a good thing**
- Ø **Important changes in the future**
- Ø **How much you can expect to accumulate in your account by the time you retire**
- Ø **When and how you can draw out your money**

COURSE OBJECTIVES

- Become aware of changes that will take place in your FEGLI and FEHBP in retirement

COURSE OBJECTIVES

- Learn what the federal Long Term Care Insurance program is and how you can apply for coverage

IDENTIFYING YOUR RETIREMENT PROGRAM

CSRS

- Hired before 1/1/84
- No significant break in service after 12/31/83

IDENTIFYING YOUR RETIREMENT PROGRAM

CSRS OFFSET

- First hired before 1/1/84
- Had significant break after 12/31/83
- Had 5 years under CSRS before break

WHERE YOUR MONEY GOES – CSRS LEO/FF

Civil Service

Trust Fund



7.5%

TSP



Up to 9%

WHERE YOUR MONEY GOES - CSRS OFFSET

Civil Service
Trust Fund



1.3%

TSP



Up to 9%

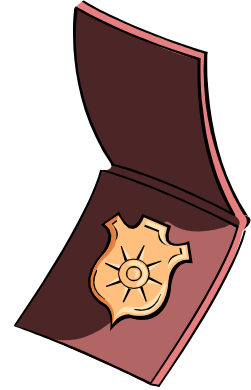
Social Security

6.2%



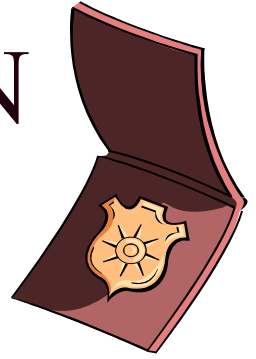
SPECIAL LEO/FF RETIREMENT RULES

CSRS



- Optional Retirement
 1. Age 50 with 20 years
“qualifying” service

MANDATORY SEPARATION FOR LEO/FF



- At 57 with 20 qualifying years
or
- Last day of month in which 20
year requirement is met

Note: Exemption til 60 possible if authorized
by agency head

DEFERRED BENEFITS

- Payable to employees who do not qualify for immediate annuity at separation and leave contributions in trust fund

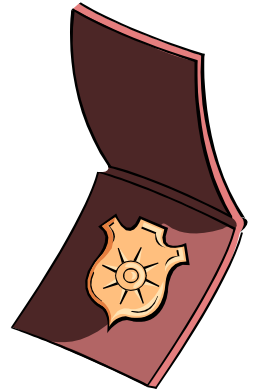
DEFERRED BENEFITS

CSRS

- Eligible at:
 1. Age 62 with 5 years service
- Apply with OPM

DEFERRED BENEFITS

LEO/FF



- Benefits computed under regular formula
- Special formula not used unless immediate annuity is payable

CREDITABLE SERVICE

May include:

- Federal civilian service
- Military service
- Periods of LWOP or WC
- Unused sick leave

CREDITABLE SERVICE

Unused Sick Leave

May be converted to creditable
service once minimum length
of service has been met

DEPOSIT



SERVICE

You may need to make a deposit
into the Civil Service Trust
Fund to cover certain types of
federal civilian service and
military service

CIVILIAN SERVICE DEPOSITS FOR CSRS

- Performed before 10/82
 1. Fully creditable but annuity will be reduced annually by 10% of amount owed
 2. Deposit avoids reduction

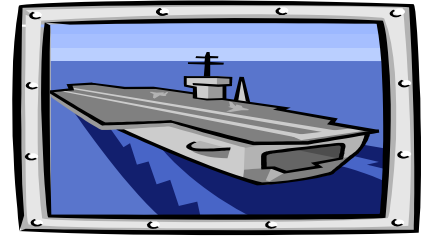
CIVILIAN SERVICE DEPOSITS FOR CSRS

- Performed 10/82 on
 1. Creditable for eligibility without deposit
 2. Also creditable for comp if deposit is made

CIVILIAN SERVICE DEPOSITS FOR CSRS

- Deposit is generally 7% of base pay plus interest:
 1. 3% interest annually for service prior to 10/82; variable rate for service thereafter
- Contact your personnel office for SF2803

MILITARY SERVICE DEPOSITS



- To get credit for post-1956 military service:
 1. Must have been active duty and honorable
 2. Must generally waive military retirement

MILITARY SERVICE DEPOSITS FOR CSRS

- Hired before 10/82
 1. Fully creditable until 62 without deposit
 2. Dropped from comp at 62 if eligible for SS and no deposit made

MILITARY SERVICE DEPOSITS FOR CSRS

- Hired 10/82 on
 1. Creditable for eligibility without deposit
 2. Not creditable for comp unless deposit made

MILITARY SERVICE DEPOSITS - CSRS

- Must pay 7% of base military pay plus variable interest
- Complete RI 20-97 and submit to your branch of service along with DD-214
- Contact agency personnel office for assistance in completing SF2803



WITHDRAWN CONTRIBUTIONS

- CSRS employees who had a break in service and withdrew contributions from the Civil Service Trust Fund may redeposit to avoid reduction

REDEPOSITS FOR CSRS EMPLOYEES

- Work Ended Before Oct 1990
 1. Fully creditable
 2. Annuity actuarially reduced if redeposit is not made

REDEPOSITS FOR CSRS EMPLOYEES

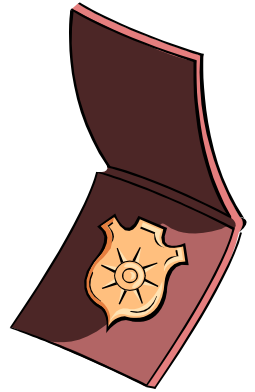
- Work ended Oct 1990 or later
 1. Creditable for eligibility only
(with no redeposit)
 2. Fully creditable with deposit

CALCULATING YOUR ANNUITY

- Amount of annuity based on:
 1. Total creditable years of service
 2. Highest 3 consecutive years of salary

CALCULATING YOUR ANNUITY

CSRS LEO/FF



- $\text{Hi-3} \times 2.5\%$ for 1st 20 qualifying years
- $\text{Hi-3} \times 2\%$ for all additional years

CALCULATING YOUR ANNUITY

CSRS OFFSET

- Annuity calculated like other CSRS annuities
- At 62 annuity will be offset by social security earned while in CSRS offset position

DEDUCTIONS FROM ANNUITY

- Taxes
- If elected:
 1. Cost of Health Ins
 2. Cost of Life Insurance
 3. Cost of Survivor Annuity

TAXATION OF ANNUITY

- Most of annuity will be taxed
- Small portion will be tax-free based on total contributions to Trust Fund and age at time of retirement

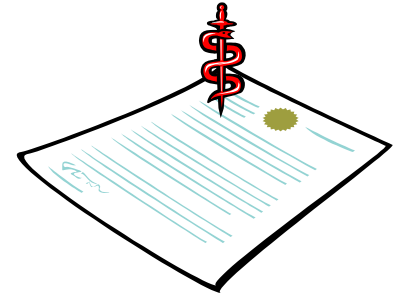
TAXES

FEDERAL ANNUITY

- To determine non-taxable portion, obtain total contributions to Retirement Fund from CSA-1099R
- Divide by factor from Table 1 or 2 on worksheet

See IRS PUB 721

COST OF HEALTH INSURANCE



- Employee's share of cost remains the same
- Government continues paying its share

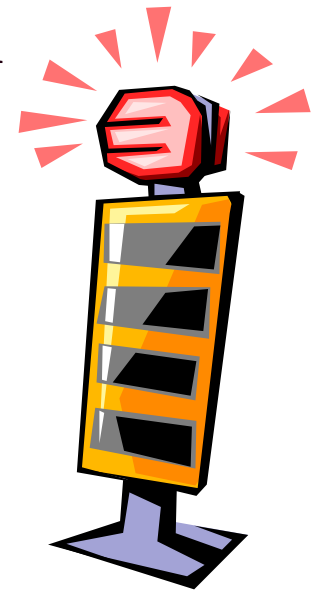
COST OF LIFE INSURANCE

- Cost of basic increases with retirement
- Cost of options increases with age

SPOUSAL SURVIVOR ANNUITY

- At retirement, your spouse can:
 1. Elect maximum annuity
 2. Elect reduced annuity
 3. Waive survivor annuity

SPOUSAL SURVIVOR ANNUITY



WARNING!!!

1. Failure to elect a survivors annuity may result in loss of health insurance coverage for your spouse at your death

SURVIVOR ANNUITY CSRS

- Maximum annuity
 1. Equals 55% of your base annuity
- Reduced annuity
 1. Equals 55% of a smaller designated base

SURVIVOR ANNUITY CSRS

\$\$ COST \$\$

- 2.5% on 1st \$3600 of your designated base
plus
- 10% on remaining base

SURVIVOR ANNUITY CSRS OFFSET

- Cost and calculation same as under CSRS
- If eligible for Social Security survivors benefit, offset applies

SURVIVORS ANNUITY AND FORMER SPOUSES

- Former spouse with qualifying court order takes precedence over current spouse
- Employee still required to make election for current spouse

CHANGING SPOUSAL ANNUITY ELECTIONS

- Make any change within 30 days of receipt of first regular annuity payment
- Make increases during first 18 months retro to retirement date, subject to interest and penalties

CHANGING SPOUSAL ANNUITY ELECTIONS

- Marriage after retirement:
 1. may elect survivors annuity within two years

NOTE: When spouse dies before retiree, reduction for spousal annuity is stopped

INSURABLE INTEREST SURVIVORS ANNUITY

- Provides monthly annuity to person who has insurable interest in retiree
- Cost depends on age difference between retiree and survivor

OTHER DEATH BENEFITS



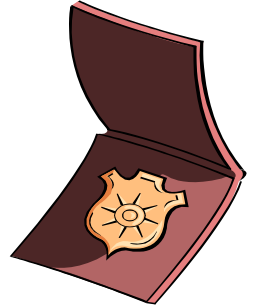
- No election required for monthly annuity to:
 1. Surviving spouse of deceased employee
 2. Surviving children of deceased employee or retiree

DEATH BENEFITS FOR SPOUSE OF EMPLOYEE

- Eligible for monthly benefit
- Amount equals 55% of employee's earned benefit

DEATH BENEFITS FOR SPOUSE OF EMPLOYEE

LEO/FF



Earned benefit calculated under
special formula only if deceased
met minimum age and length of
service requirements at death

DEATH BENEFITS FOR CHILDREN



- Definition of Child
 1. Under 18
 2. Full time student under age 22
 3. Disabled before age 18

DEATH BENEFITS FOR CHILDREN

- Payable to children of retirees or employees
- Amount of benefit:
 1. \$384 to \$461 monthly

LUMP SUM DEATH BENEFITS

- Payable to designated beneficiary when no monthly survivor benefit is payable
- Payment represents employees contributions remaining in Civil Service Trust Fund

Review Beneficiary Designations

- Civil Service Trust Fund
 1. SF 2808
- FEGLI
 1. SF 2823
- Thrift Savings
 1. TSP-3

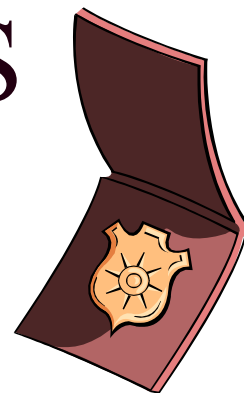
DISABILITY BENEFITS

- Must be unable to perform useful, efficient service
- Must be considered for placement in vacant position in same agency, at same pay, in same commuting



DISABILITY BENEFITS

LEO/FF



- Eligible for “earned benefit” under special formula with 20 years qualifying service

Or if not

- Disability benefit computed using regular formula

IF YOU ARE INJURED IN THE LINE OF DUTY

- You or your survivors may file for payments with the Office of Workers' Compensation Programs.
- You must generally choose between Worker's Compensation and Disability benefits. WC is usually the higher benefit.

IF YOU ARE INJURED IN THE LINE OF DUTY

- The Public Safety Officers Benefits Act authorizes Office of Justice Programs to pay a special death or disability payment to a LEO due to injury sustained in line of duty
- ½ death benefit paid to spouse
- ½ death benefit paid to children in equal shares

COST OF LIVING ADJUSTMENTS

- Effective Dec. of year annuitant becomes eligible
- Equals rate of inflation as measured by CPI

PICKING YOUR CSRS RETIREMENT DATE

- Retirement - 1st, 2nd or 3rd
 1. receive prorated annuity for the month
- Retirement - after 3rd
 1. no annuity payable for that month

PICKING YOUR CSRS RETIREMENT DATE

EXAMPLE:

Retirement Date: Jan 2

First Eligible: *Month of Jan

First Check Payable: Feb 1



**January payment prorated*

LUMP SUM PAYMENT FOR ANNUAL LEAVE

- Will receive lump sum for:
 1. 240 carryover plus
 2. Unused leave for current year
- Takes about 2 to 4 weeks
- Consider tax implications

PERSONNEL OFFICE ACTIONS

- Review OPF
- Send annuity estimate and info on deposits and redeposits
- Send necessary forms

YOUR ACTIONS



- Review forms and estimates carefully, especially SF-2801-1: *CERTIFIED SUMMARY OF FEDERAL SERVICE*
- Complete and return all required forms

OPM ACTIONS AFTER SEPARATION

- Acknowledges receipt of application; issues CSA #
- Issues interim payment which is 80-95% of full benefit in about 2 to 4 weeks after receipt

OPM ACTIONS AFTER SEPARATION

- OPM becomes point of contact for all future inquiries

1-888-767-6738

Email: retire@opm.gov

www.opm.gov

SOCIAL SECURITY



- Will you be eligible?
 1. Need 40 work credits
 2. Must earn \$890 in 2003 to get one work credit
 3. May earn max of 4 work credits per year (\$3560)

SOCIAL SECURITY

- How will the benefit be calculated?



MULTI-STEP
FORMULA
USED

SOCIAL SECURITY

- How old must you be to retire?
 1. Reduced benefits at 62
 2. Full benefits between 65 and 67
based on you date of birth

SOCIAL SECURITY

- STEP 1

1. Actual wages will be converted to figures more relevant to today's earnings. This is called indexing.



SOCIAL SECURITY



- STEP 2

1. Highest 35 years of indexed earnings will be added together.

SOCIAL SECURITY

- STEP 3
 1. Sum of 35 years will be divided by 420 (the number of months in 35 years)
 2. This provides the AIME (average indexed monthly earnings)

SOCIAL SECURITY

- Step 4 - Three-part formula applied to AIME:
 - a. $90\% \times 1^{\text{st}} \606 of AIME
 - b. $32\% \times$ dollars over \$606 up to \$3653
 - c. $15\% \times$ dollars over \$3653

SOCIAL SECURITY

Windfall Elimination Provision

- Modified formula which may be applied to CSRS and Offset employees
- Affects only the social security payable on your own work record

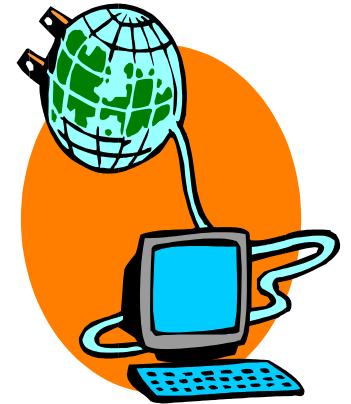
SOCIAL SECURITY

Windfall Elimination Provision

- Step 4 - Three-part formula applied to AIME:
 - a. $40\% \times 1^{\text{st}} \606 of AIME
 - b. $32\% \times$ dollars over $\$606$
up to $\$3653$
 - c. $15\% \times$ dollars over $\$3653$

SOCIAL SECURITY ONLINE SERVICES

www.ssa.gov



- Click on “Top Ten Requests” to obtain your personalized social security benefit estimate

SOCIAL SECURITY AND MILITARY SERVICE

Extra earnings for military service

1. Service in 1978 or later
 - \$100 for every \$300 active duty pay (max added per year \$1200)
2. Service in 1957 thru 1977
 - \$300 for each calendar quarter active duty pay (max added per year \$1200)
3. Service before 1957 - \$160/mo

SOCIAL SECURITY EARNINGS TEST

- Applies only while under FRA
- Reduces SS benefit in years before FRA (*\$1 for \$2*) when “earnings” exceed \$11,520
- Does not apply to savings, pensions, annuities, etc.

SOCIAL SECURITY FOR FAMILY MEMBERS

- Both life and death benefits may be payable to a current spouse, former spouse and your children

SOCIAL SECURITY FOR FAMILY MEMBERS

- Life benefit for spouse
 1. Full retirement age -50%
 2. Age 62 (reduced) -31½ -37½%
 3. Child-in-care (<16)-50%

*Divorced spouse must have been married
10 years*

SOCIAL SECURITY FOR FAMILY MEMBERS

Death benefit for spouse

1. Full retirement age -100%
2. Age 60 (reduced) -71½%
3. Child-in-care (<16) -75%

*Divorced spouse's entitlement won't
affect current spouse*

SOCIAL SECURITY

Gov't Pension Offset

- Applies only to CSRS employees.
CSRS Offset statutorily exempt
- Affects social security benefit payable to you as a spouse

SOCIAL SECURITY FOR FAMILY MEMBERS

- Children
 1. Under 18
 2. Between 18 and 19 but still in high school
 3. Disabled before age 22

SOCIAL SECURITY FOR FAMILY MEMBERS

- Benefits for children:

1. Life benefit 50%

2. Death benefit 75%

*There is a family maximum payable on
any one record*

TAXES

SOCIAL SECURITY

- 50% of SS is taxable if “provisional” income is:
 - \$32 to \$44K - married
 - \$25 to \$34K- single

- 85% of SS is taxable if “provisional” income is:
 - \$44K+- married
 - \$34K+- single

See IRS PUB 554

FEDERAL EMPLOYEES HEALTH BENEFIT PLAN

- Types of Plans
 1. Fee for Service
 2. Pre-paid
- Types of Enrollments
 1. Self-only
 2. Self and family

FEHBP

- Must have been in effect 5 years preceding retirement
- Becomes secondary when Medicare begins
- Enrollment/carrier changes allowed in retirement

FEHBP PREMIUM CONVERSION

- Allows employees to have premiums withheld before taxes
- Premium conversion not available to retirees

MEDICARE

- Eligible at 65
- Two Parts
 - Part A – Hospital Ins (free)
 - Part B – Supplementary Medical Ins (\$58.70 mthly)
- Primary in retirement

Enrollment Periods

MEDICARE

Initial Enrollment Period

- Begins 3rd month before age 65 and runs thru 3rd month after age 65
- Enrollment outside of IEP may result in surcharge for Part B (10% per year)

MEDICARE

ENROLLMENT PERIODS

General Enrollment Period

- Runs Jan thru Mar each yr

Special Enrollment Period

- For persons still working at 65 and covered by employer
- Begins month of retirement and runs for 8 months

THRIFT SAVINGS PLAN

- Provides opportunity for tax-deductible contributions and tax deferred growth for CSRS employees.

FUTURE CHANGES TO THRIFT SAVINGS PLAN

- Increased contributions to TSP
 - May contribute 9% effective 12/03
 - May contribute 10% eff 12/04
- Effective December 2005 there will no longer be a percentage cap on TSP contributions

FUTURE CHANGES TO THRIFT SAVINGS PLAN

- Increased deferral limits
 - Current limit - \$12,000
 - Limit effective 2004 - \$13,000
 - Limit effective 2005 - \$14,000
 - Limit effective 2006 - \$15,000

FUTURE CHANGES TO THRIFT SAVINGS PLAN

- Catch-up Contributions for Persons 50 and above:
 - 2003 - \$2000
 - 2004 - \$3000
 - 2005 - \$4000
 - 2006 - \$5,000

THRIFT SAVINGS PLAN

- Open season:
 - Allows you to begin or change contributions
- Interfund transfers:
 - Allow you to move money between funds daily

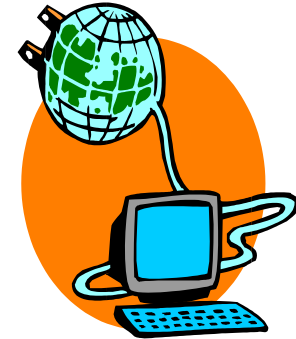
TSP INVESTMENT OPTIONS

- G fund –Gov't Securities
- F fund –Bond Index
- C fund –Common Stock Index
- S fund – Small Cap Index
- I fund – International Index

TSP RATES OF RETURN

- 10-year annualized rates of return for 1993 through 2002:
 1. C Fund – 9.29%
 2. F Fund – 7.49%
 3. G Fund – 6.24
 4. S Fund – 7.3% (Wilshire 4500)
 5. I Fund – 3.9% (Morgan Stanley EAFE)

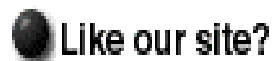
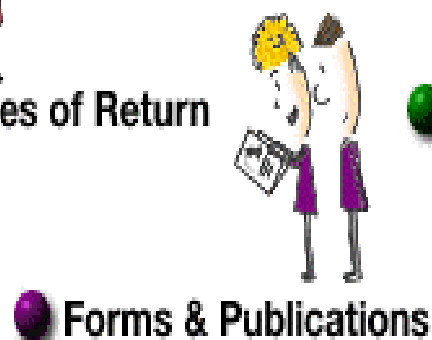
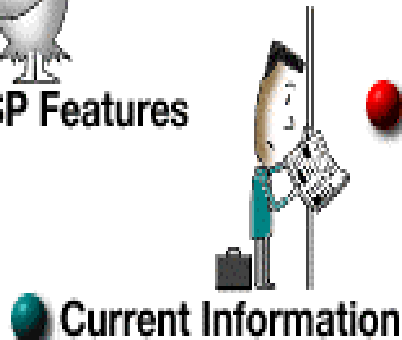
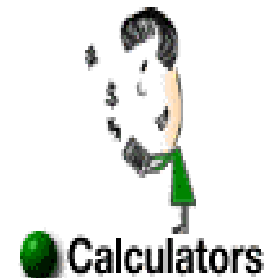
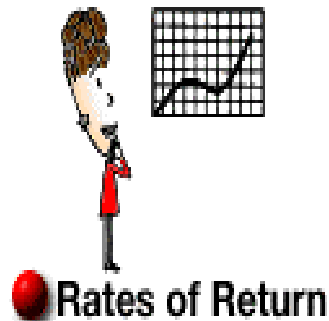
TSP ONLINE



www.tsp.gov

- Calculators
 - Projecting Acct Bal.
- Account Access
- Rates of Return

TSP HOMEPAGE



TSP LOANS

- General Purpose
 - 1. 1 to 5 year repayment
- Residential
 - 1. 1 to 15 yr repayment

Loans are not available to retirees

TSP WITHDRAWAL OPTIONS



- Roll funds into IRA
- Transfer to qualified plan
- Receive equal monthly pmts
- Receive one-time partial pmt
- Receive entire lump-sum
- Purchase annuity

ANNUITY OPTIONS THRU TSP

- Fixed Annuity
 1. Single Life
 2. Joint Life
 - 50% survivorship
 - 100% survivorship

ADDITIONAL ANNUITY FEATURES

For extra cost:

- Cash refund option
- 10-year certain option
- Cost of living adjustments

TAXES

TSP WITHDRAWALS

- Contributions and growth tax-deferred until withdrawn
- Taxed as ordinary income in year received
- May be subject to 20% backup withholding

FEDERAL EMPLOYEES GROUP LIFE

- Must have been in effect for the 5 years preceding retirement
- Can be dropped or reduced at any time but not added or increased after retirement

FEDERAL EMPLOYEES GROUP LIFE

- Basic Coverage
 1. Rounded salary + \$2,000
- Optional Coverages
 1. Option A - \$10,000
 2. Option B – salary multiples
Option C – family coverage

FEDERAL EMPLOYEES GROUP LIFE

- Basic Life Choices in Retirement
 1. No reduction
 2. 50% reduction at 65
 3. 75% reduction at 65

BASIC FEGLI

NO REDUCTION OPTION

- Basic cost before retirement
 1. \$.3250 per \$1000 per month
- Basic cost after retirement
 1. Until age 65 - \$2.155 per \$1000
 2. At age 65 - \$1.83 per \$1000

FEGLI BASIC

50% REDUCTION OPTION

- Basic cost before retirement
 1. \$.3250 per month per \$1000
- Basic cost after retirement
 1. Until age 65 - \$.925 per \$1000
 2. At age 65 - \$.60 per \$1000

FEGLI BASIC

75% REDUCTION OPTION

- Basic cost before retirement
 1. \$.3250 per month per \$1000
- Basic cost after retirement
 1. Until age 65 - \$.3250 per \$1000
 2. At age 65 - FREE

FEGLI OPTIONAL

- Option A decreases 2% per month beginning at 65 until it reaches \$2500
- Cost based on age til 65
- Free at 65

FEGLI OPTIONAL

- Options B and C can remain unreduced with cost based on age
 1. Current max cost monthly
 - Option B - \$2.752 per \$1000
 - Option C - \$13.00 per multiple

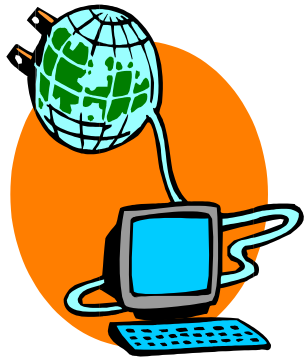
FEGLI ONLINE CALCULATOR

Go to OPM homepage

www.opm.gov

Select “Retirement”

Select “Tools”



Long Term Care Security Act
Public Law 106 - 25

September 19, 2000

Long Term Care Partners, LLC

Joint Venture Company Formed by John
Hancock & MetLife

How to Contact LTC Partners

CALL CENTER

1-800-LTC-FEDS

(TDD: 1-800-843-3557)

WEB SITE

www.ltcfeds.com

Email Address

info@ltcpartners.com

Additional Information on Long Term Care

OFFICE OF PERSONNEL
MANAGEMENT

WEB SITE:

www.opm.gov/insure/ltc

Email Address

ltc@opm.gov

Who Is Eligible To Apply?

COVERS A BROAD POPULATION

- Federal civilian employees and annuitants
- Persons receiving compensation payments from OWCP (DOL)
- Active-duty and retired members of the uniformed services
- Qualified relatives

Who Is A Qualified Relative?

- For employees or annuitants:
 1. Current spouse
 2. Adult children (age 18 and over, including adopted and stepchildren)
- For current employees only:
 1. Parents, parents-in-law, and stepparents

More on Qualified Relatives

- Qualified relatives can apply even if the employee, member of the uniformed services or annuitant they are related to does not
- Each person applies individually
- Qualified relatives may be subject to different underwriting standards than employee

What Is Underwriting?

- Underwriting is the process of reviewing your health status to determine whether you qualify for coverage
- Employees, members of the uniformed services and their spouses have abbreviated underwriting during open season

Six Decisions for Designing Your Personal LTC PLAN

- Comprehensive or Facilities-Only
- Daily benefit amount (DBA)
- Daily or weekly reimbursement
- Benefit period
- Waiting period
- Inflation protection

Decision #1

Comprehensive Or Facilities-Only

Covered Services

Facilities-Only Plan

- Nursing Home
- Assisted Living Facility
- Hospice (facility only)
- Respite Services (facility only)

Decision #1

Comprehensive or Facilities-Only

Covered Services

Comprehensive Plan

- Nursing Home
- Assisted Living Facility
- Hospice Care (facility and home)
- Respite Services (facility and home)
- Home Care (formal and informal)
- Adult Day Care

Decision #2

Daily Benefit Amount

- You must decide what amount of coverage you would like to have per day. You may elect a DBA in \$25 increments between \$50 and \$300 per day.
- The amount will be influenced by LTC costs in your geographic area

Decision #2

Daily Benefit Amount

To get help with the cost of long-term care in your area go to:

www.ltcfeds.com

Click on “Planning Tools”

Decision #2

Daily Benefit Amount

Reimbursement Rates

- Up to 100% of the DBA for care received in a nursing home, assisted living facility, hospice care or respite services
- Up to 75% of the DBA for home care (formal and informal), and adult day care.

Decision #3

Daily or Weekly Reimbursement

- May elect to have payment calculated on weekly basis
- Weekly benefit is equal to 7 times your DBA
- Provides greater flexibility for home care
- Costs a little extra

Example:

Daily Vs. Weekly Reimbursement

If insured requires home care 5 days per week, six hours per day at \$17 per hour (\$510 wk), reimbursement would be calculated as follows:

Using Daily Basis - \$100 DBA – 75%

\$75 x 5 = \$375 (leaves \$135 unpaid)

Using Weekly Basis - \$100 DBA – 75%

\$75 x 7 = \$525 (covers full cost)

Decision #4

Benefit Period

- You may choose a limited benefit period of 3 years or 5 years. Your benefit period combined with your DBA creates your lifetime maximum.

or

- You may choose an unlimited benefit period with no lifetime maximum.

Calculating Your Maximum Lifetime Benefit

$$\text{DBA} \times \text{Days in Benefit Period} = \\ \text{Maximum Lifetime Benefit}$$

Example of 3 Year Benefit Period:

$$\$100 \text{ DBA} \times 1095 \text{ days} = \$109,500$$

Pool of money can last longer than “benefit period” depending on LTC options you utilize

Decision #5

Waiting Period

- Number of days you must be eligible for benefits and receiving covered services before benefits are payable:
 1. 90 days
 2. 30 days
- Need to meet it only once in your lifetime

Decision #6

Inflation Protection Options

- Inflation reduces your purchasing power and affects benefits. Inflation protection is important.

Two Choices:

- Automatic Compound Inflation (ACI)
 - Future Purchase Option (FPO)

Decision #6

Inflation Protection Options

- Automatic Compound Inflation
 1. Benefits will automatically increase by 5% compounded annually (even if you are eligible for benefits)
 2. Premiums do not increase even though your benefits do

Decision #6

Inflation Protection Options

- Future Purchase Option
 1. May increase coverage every two years based on rise in CPI for Medical Care
 2. Additional premium for increased coverage based on current age
 3. If you decline three increases, you don't get any more offers

Calculating the Premium

Go to www.ltcfed.com

Click on “Premium Calculator”

You can enter up to 4 different scenarios and display results side-by-side for comparison

How to Qualify for Benefits

- You must require substantial assistance performing at least 2 activities of daily living for an expected period of at least 90 days

or

- You must have a Severe Cognitive Impairment (e.g. Alzheimer's)

How to Qualify for Benefits

- Activities of Daily Living (ADLs) include:
 1. Eating
 2. Bathing
 3. Dressing
 4. Toileting
 5. Continence
 6. Transferring (e.g. bed to chair)

When Benefits Start

Benefits start when:

- You have met your required waiting period and
- A licensed health care practitioner certifies that you meet the “benefit triggers” and
- The insurance company agrees

Care Coordinators Help You Every Step of the Way

- Answering your questions
- Deciding whether you qualify for benefits
- Locating providers and accessing discounts
- Monitoring your care
- Also available to qualified relatives if you're enrolled and they are not

How To Apply

- You may be eligible to apply on-line at www.ltcfeds.com

Or

- Print application and mail to:
Long-Term Care Partners
P.O. Box 5725
Hopkins, MN 55343-5725

Once You're Approved...

- Will receive a Benefit Booklet (your policy)
- Will receive your personalized Schedule of Benefits
- Will have a 30-day “free-look” period

Comparison Shopping

Companion Guide to the *NAIC Shopper's Guide to Long-Term Care Insurance*

- Can be downloaded from LTC Partners web site
- Use Worksheets on pages 8-10

From The Resource Library

www.ltcfeds.com

- Applications (abbreviated and full)
- NAIC Shopper's Guide to LTC
- OPM's Companion Guide
- LTC Insurance Primer
- Benefit Booklet
- Sample Schedule of Benefits